

A collage of four images on the left side of the slide: a green lawn with trees, a building with a tower, a classical archway, and a blue sky with clouds.

**UNIVERSITY OF ILLINOIS**

AT URBANA-CHAMPAIGN



**2011 BUSINESS LEADERSHIP CONFERENCE**

# Activity Reporting System (ARS)

Beyond Checking The Boxes...

10:30-11:45 and 3:15-4:30

April 6, 2011

# Workshop Presenter(s)

- **Julie Jarvis**  
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College of Applied Health Sciences  
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## Please ...

- Turn off cell phones.
- Avoid side conversations.
- Feel free to ask questions at any time
- Sign the attendance roster.
- Complete the evaluation at the end of the workshop.

# Workshop Objectives

- Understand the importance of ARS data as used for various processes and reports
- Learn about interfaces of the ARS with other systems
- Discover best practices for ARS use and data entry

# ARS & related training sessions

- **ARS Annual Update & Training**

Jan-Feb. each year, all users are invited

- **Grants and Sponsored Projects: Cost share**

*<http://training.obfs.uillinois.edu/index.cfm?campus=U>*

- **F&A Basics Workshop: It Takes More than a Plinko Board**

*(Upon request of Government Costing)*

# Why do we have an ARS?

To comply with Federal and State mandates that we track and report what employees do for the money they are paid.

Fact of life: Money ALWAYS comes with strings attached



# State of Illinois mandate

Illinois Board of Higher Education Cost Study,  
since 1986:

Universities must report **state expenditures and FTE** for the three major functions of a university:

**Instruction**

**Research (NACUBO 1100)**

**Public Service (NACUBO 1200)**

# NACUBO Function Code

= Second level of the Program Code hierarchy

Coding system for standard functions of universities established by the National Association of College and Universities Business Officers:

1000	Instruction	1600	Operations & Maintenance
1100	Organized Research	1700	Scholarships & Fellowships
1200	Public Service	2000	Auxiliary Enterprise
1300	Academic Support	4000	Independent Operations
1400	Student Services	5000	Stores and Services
1500	Institutional Support		

All money arrives in a department with a NACUBO code attached.  
That's what you are supposed to spend the money on!



# IBHE Cost Study – 3 major reports

## – Unit Cost Study

How much does it cost per credit hour for each unit to offer courses? How much does each unit spend on instruction, research, public service?

## – Program cost Study

How much does it cost per credit hour to teach a student in each program?

## – Faculty Credit Hour Study

What are the faculty workloads?

(credit hours/faculty FTE, students/faculty FTE)

# Federal Mandates

The **Federal Government** is very interested in **ALL** of our activities



Instruction



Public Service



Other Institutional Activities



Research



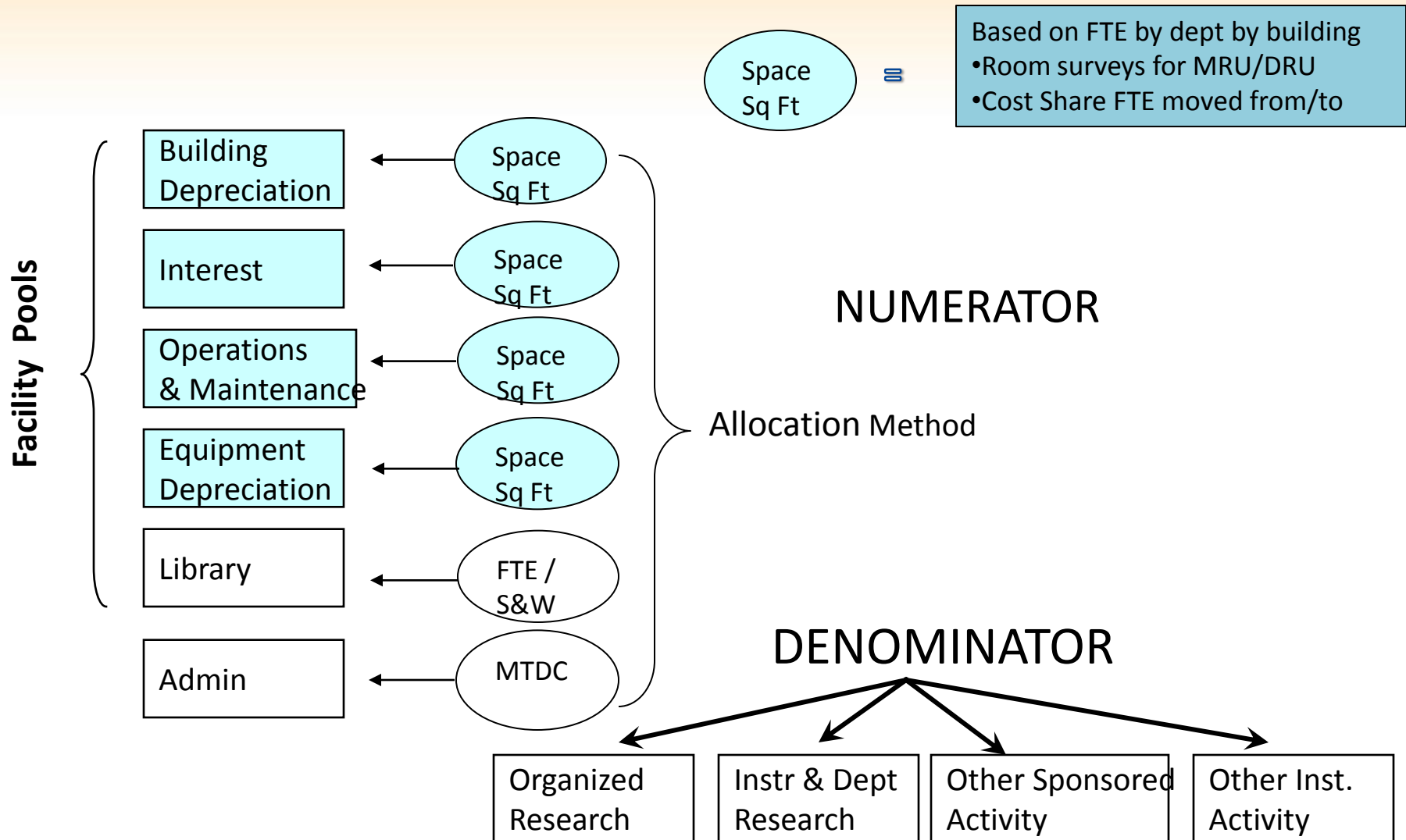
# Federal OMB Circular A-21, J10b(2)

- “The payroll distribution system will...(ii) reasonably **reflect the activity** for which the employee is compensated by the institution; and (iii) **encompass both sponsored and all other activities on an integrated basis, but may include the use of subsidiary records.**
- “**Direct cost activities and F&A cost activities** may be confirmed by responsible persons with suitable means of verification.”
- “will allow **confirmation of activity allocable to each sponsored agreement and each of the categories of activity needed to identify F&A costs and the functions to which they are allocable.**”
- “the payroll distribution system may reflect categories of activities expressed as a percentage distribution of total activities.”

# Federal OMB Circular A-21, cont'd

- ***Direct (sponsored projects activities)***: ARS becomes the basis for semi-annual direct cost confirmation of direct costs on sponsored projects (showing related effort percentage)
  - Cost Share FTE is captured to move from originating source activity and moved to project activity (function)
- ***Indirect (F&A cost activities)***: ARS becomes the basis for identifying FTE statistics related to administration, auxiliaries, service activities, paid leave, etc.
- ***F&A Calculation***: FTE of ALL activities becomes the basis for allocation of use of space which in turn allocates all of the Facilities costs in the F&A study

# The F&A Allocation



# Cost Sharing Commitment Verification

- What is cost share?
  - It is a commitment to use University resources in support of a sponsored project.
  - Cost sharing of University resources is most commonly seen in the form of contributed effort (i.e. University supported salary), but cost sharing can include other items.
  - Contributed effort is captured and tracked in the Post-Award cost-sharing system as a percentage of a person's academic year FTE for a specific time period. Cost share data for the AY is periodically uploaded to ARS. The department is responsible for maintaining ARS records and distributing the effort/activities for the individual that are related to the cost-sharing commitment.

# Cost Sharing, continued

- Executed awards with contributed effort cost sharing commitments
  - Contributed effort is captured in the Post-Award cost sharing system and uploaded to ARS; the portion of the FTE committed as cost share is assigned to the cost pool related to the project's NACUBO function (i.e. research, public service) for use in the F&A rate study and other reporting requirements.
  - Contributed effort is reflected in the semi-annual confirmation process by GCO; it is important for the department/PI to verify the % effort and the dates of the contributed effort commitment are accurate.
  - Janis Weaver at GCO is the primary contact for cost sharing questions/issues with ARS records; departments should work with Janis to resolve cost-sharing questions/issues with ARS records. Other cost-sharing questions/issues should be referred to Post-Award personnel in the section administering your award (NSF, HHS, State IL, Private, etc.)

# Other critical operations that use ARS

## For the F&A

- Space Study
- Library Study
- Other Federal Rates using ARS data
- Tuition Remission Rate Calculations
- Service Activity Rate Calculations
- Graduate Assistant Health, Life, Dental Benefit Rate



# How is ARS activity & cost share information collected?

- Through a web system located at <http://www.dmi.illinois.edu>
- Department Executive Officers reauthorize ARS updater access each fall
  - Unfortunately, the updater may not understand the importance of entering accurate activity information.....or the updater may not have time or knowledge to do the job properly

**Best Practice** – Business managers need to educate and communicate the importance of this job

# ARS Updater Qualifications

Must understand and have access to the following information:

- Dates and % time for each paid appointment
- Funds charged for the appointment
- HRFE and Banner systems
- Labor redistribution records
- Faculty, academic staff, and grad assignments

-All cost sharing agreements



# Sample ARS Data Entry Page

Division of Management Information  
University of Illinois at Urbana-Champaign



Activity Reporting System - Data Entry Page -- FY10 Data

[Instructions/Help](#) | [ARS Authorization Form](#) | [Frequently Asked Questions](#) | [Log out](#)

**Smith John**  
UIN: 65-1234567

Employee Group: A  
Department: 1-933

Last updated: 7/15/2009  
By: netid

- [View appointments for current year](#)
- [Salary summary, appts for all years](#)
- [View sections, update section SOF for this instructor](#)

SOF	Fund	Acct	Program (NACUBO)	Annualized FTE	YTD Pay	Obligated Pay	Activity Percents - click here for a grid of permissible activities									
							Instruction					Dept. Res	Orgnzd Resrch	Admn Library Tech	Paid Leave	Ex Pu S
							Class room	Ind Study	Online	Thesis	In-direct					
S	100010	211100	933001 (1000)	62.15	\$37,167	\$103,055	<input type="text" value="35"/>	<input type="text" value="5"/>	<input type="text" value="0"/>	<input type="text" value="20"/>	<input type="text" value="15"/>	<input type="text" value="25"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
O	611084	211100	191100 (1100)	0.00	\$2,500	\$4,979	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>

**Payment , FTE, and C-FOAP from payroll/HR: Depts cannot change these columns**

**Activities: Depts enter % to divide up the pay and FTE**

# Activities are limited by the fund and NACUBO

- See “Appropriate Activity Reporting” grid in handouts
- It’s critical to appoint people on the right source of funds & NACUBO for the type of work they do.

# Entering Activity information

- Activities must be entered for each non-zero percent line for academic and grad staff
- Activities entered must be consistent with the fund source and the NACUBO of the program code
- Error messages pop up when activity is on the wrong NACUBO or when you are missing required instructional or cost sharing activities.

# What are the Activity Categories?

## Instructional Activities

- Classroom instruction
- Independent Study
- Online Instruction
- Thesis Supervision
- Indirect Instruction

## Other Activities

- Departmental Research
- Organized Research
- Admin/Library/Tech
- Paid Leave
- Extension/Public Service
- Alumni, Development, Community Relations
- General & Specialized Svc.

# Course information in ARS

Every section taught by each employee in a department is available in ARS.

Each section is initially assigned to a department and source of funds based on the payments made to the instructor.

Updaters can change the department and source of funds for any section taught by someone they pay.

# Changing Course SOF in ARS

Illinois at Urbana-Champaign


**Activity Reporting System**

Page    Instructions/Help    Log out

**Sections Taught by this Instructor in 2010-11**

Course	Section	CRN	Stu- dents	IUs	Contact Hours	Current SOF	Current Paying Department	Change SOF and paying dept (ARS Updaters only)	SOF Las b
struction courses									
TURK 201	LCD AE1	47985	13	65	5	S	Linguistics	S Linguistics	imputed 2/21/201
TURK 403	LAB AE1	47988	8	16	2	S	Linguistics	S Linguistics	imputed 2/21/201
TURK 403	LCD AE1	47988	8	16	2	S	Linguistics	S Linguistics	imputed 2/21/201
TURK 405	LCD A1	50730	4	12	3	S	Linguistics	S Linguistics	imputed 2/21/201
LING 404	LCD F	40157	1	1	0	S	Linguistics	G Bureau of Economic & Bus Res G E. Asian & Pacific Studies G European Union Center G International Prgms & Studies I Liberal Arts & Sci Admin	imputed 2/21/201
TURK 202	LAB AE1	46250	12	12	1	S	Linguistics	S Linguistics G Russian,E European,Eurasn Ctr C Courtesy - unpaid	imputed 2/21/201



# How is ARS Course Info used?

IUs (credit hours) for each section are assigned to the unit paying the instructor, not to the unit “owning” the course.

These IUs are used by the Provost’s office to distribute approximately \$70 million dollars of tuition income among the colleges.

# What happens when there is bad info in ARS?

- Unit may lose credit for IUs & budget that follows IUs
- Departments and programs are targets for elimination when costs are high
- Faculty workload may be over- or under-stated relative to peer departments
- Faculty may not get P&T credit for sections taught
- External Auditors may require repayment of millions of dollars in grant funds
- A-133 Audit findings can jeopardize future UIUC eligibility for federal grants
- F&A Rate may be set too high or low

# An all-too-common scenario

Faculty member promises a lab tech will work 10% over the year on a sponsored project as part of a cost sharing agreement.

No one tells the Business manager, who appoints the lab tech 100% on grant funds.

No state money is available for the cost sharing, so the department technically is in violation of its contract.

# Consequences?

Best case: Department may have to submit labor redistributions for the entire year to move enough pay to state funds

Worse case: Grant may be rescinded, department may have to pay sponsor back for the entire project.

Even worse: Campus may be punished by the agency and not be eligible for future grants from that agency

Absolute nightmare: campus may be fined millions of dollars or be required to repay grants from multiple federal agencies

# Nine Best-Practice Tips for ARS updaters

1. Make sure employees are paid on the right fund and program code from day one
2. Monitor faculty/staff changes in assignments
3. Make sure courses are assigned to the right payment lines
4. Eliminate all ARS errors
5. Check back after each pay calc for new errors

# Nine Best-Practice Tips for ARS updaters

6. Always review each person's activities at least once a year. There may be activity changes due to:
  - Buy-outs from teaching duties
  - Additional teaching duties
  - Awarded grant activity
  - New appointments
  - Additional assignments, e.g. development work

# Nine Best-Practice Tips for ARS updaters

7. Develop departmental procedures to track grant proposals, effort commitments, and cost sharing agreements
8. Don't wait until August to start – it's too late to do labor redistributions
9. Call us any time you have questions

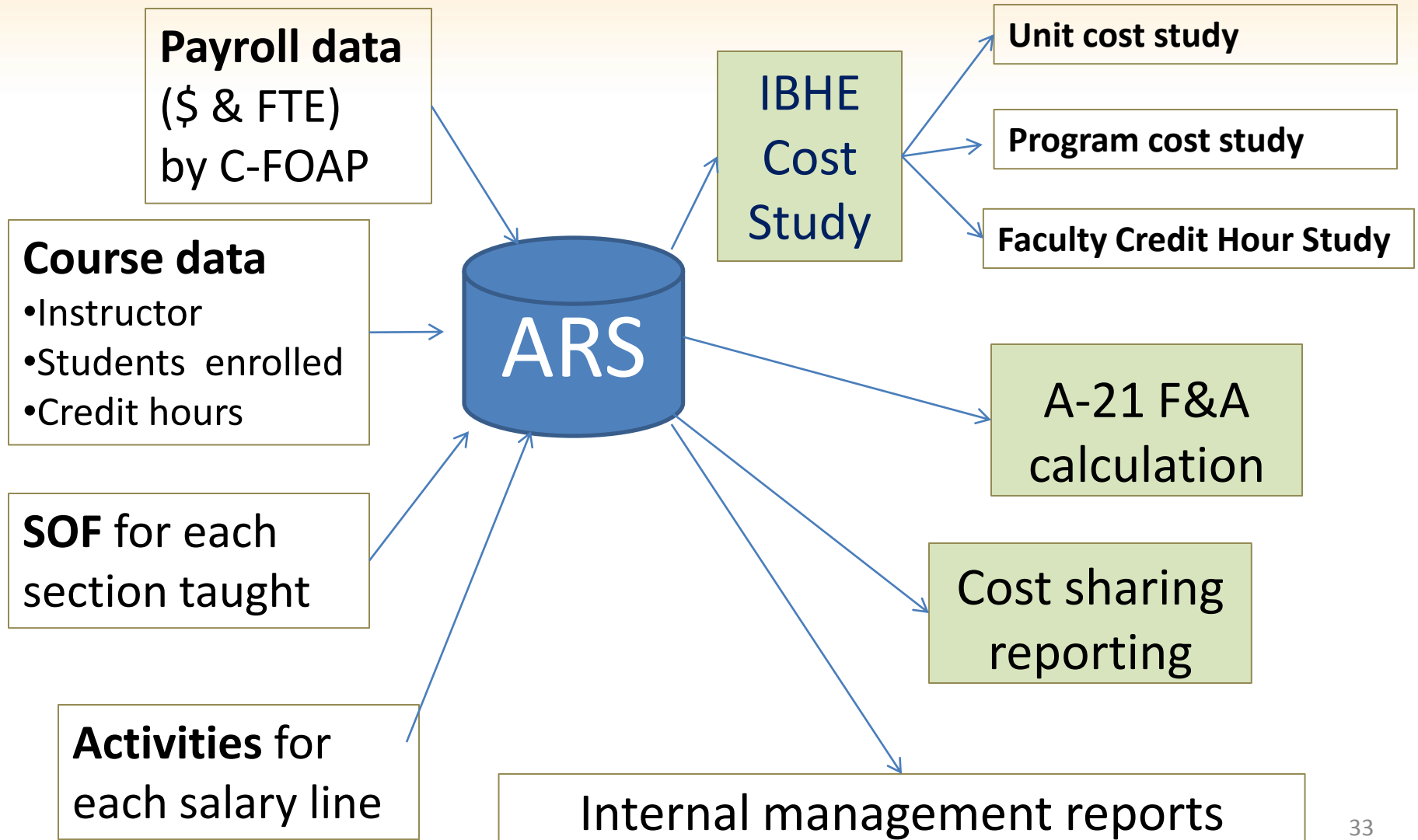
# ARS interfaces with other areas

Accurate information into the ARS system means accurate outputs:

- To other systems
- To reports



# ARS interfaces with other areas



# ARS Annual Cycle –Aug 16- Aug 15

- Weekly, actual payments from paycalc are merged with appointment data to create an academic year view of all payments YTD and obligated for each employee.
- Daily, course assignments are loaded from Banner
- Upon request, we load cost sharing agreements from files sent to us by Janis Weaver of G&C
- Department staff enter activity data continuously through early August
- DMI, G&C use final frozen data and prepare reports and files for state and federal government

# Other important contacts

- ARS questions: Liz Stern & Mary Sappenfield  
333-3551
- Cost Sharing questions: Janis Weaver  
244-4758

# Workshop Summary

- Activity reporting is mandated by federal and state governments
- Persons authorized to update activities must have extensive knowledge of employee assignments and payment sources
- Errors can be very costly
- We're here to help!

Questions / Concerns?